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CHAIRMAN

STATE OF FLORIDA



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# Public Service Commission

July 12, 2007

Mr. Howard G. Borgstrom  
Director, Business Operations Center  
Office of the Chief Financial Officer  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20585  
[lgprogram@hq.doe.gov](mailto:lgprogram@hq.doe.gov)

Re: RIN 1901-AB21 Comments on Proposed Loan Guarantee Program Rules

Dear Mr. Borgstrom:

The Florida Public Service Commission (FPSC) urges the Department of Energy (DOE) to revise the proposed loan guarantee program rule to have the guarantee cover the debt of each project up to a maximum of 80 percent of the total project cost. The commercialization and deployment of advanced energy technologies are vital to meeting the country's growing demand for electricity, fuel diversity and environmental awareness. Without state and federal policies that help secure financing, these cleaner technologies may not be built.

Indeed, the State of Florida and the FPSC are actively promoting development of cleaner technologies supported by the loan guarantee program. Specifically, in 2006, the FPSC promulgated rules to remove barriers to investment in renewable generation. The Florida legislature passed a law in 2006 to encourage the construction of new nuclear-powered electric generation, and the FPSC adopted rules establishing alternative cost recovery mechanisms for nuclear power plants in February 2007. In June 2007, Governor Charlie Crist signed a bill into law that promotes electric utility investment in new power plants that use integrated gasification combined cycle (IGCC) technology, and the FPSC will implement the law through rulemaking by the end of the year.

The federal loan guarantee program was intended to support the deployment of new technologies that reduce, avoid or sequester greenhouse gas emissions by providing a guarantee for up to 80 percent of project costs. Congress has communicated that when passing this provision it anticipated at least 20 percent of a qualifying project's costs

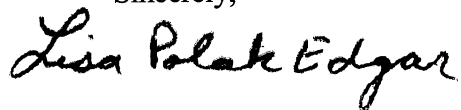
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would be financed with developer's equity. Thus a loan guarantee should cover all debt up to 80 percent of project costs.

In the DOE's May 16 Notice of Proposed Rulemaking, rules are suggested that cover only 90 percent of a project's debt. This requirement increases the cost of the debt to the utility and eventually increases the costs passed on to the utility's ratepayers. The FPSC urges DOE to implement the loan guarantee program the way Congress intended it to work, allowing coverage of all debt up to 80 percent of a project's costs.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "Lisa Polak Edgar". The signature is written in a cursive, flowing style.

Lisa Polak Edgar  
Chairman

LPE/kl

cc: Honorable Jeff Bingaman, Chairman, Senate Energy & Natural Resources Committee  
Honorable Pete Domenici, Ranking Member, Senate Energy & Natural Resources Committee  
Honorable Mel Martinez, Senate Energy & Natural Resources Committee  
Honorable Bill Nelson, Senator  
Honorable John Dingell, Chairman, House Energy & Commerce Committee  
Honorable Joe Barton, Ranking Member, House Energy & Commerce Committee  
Honorable Rick Boucher, Chairman, House Energy & Air Quality Subcommittee  
Honorable Dennis Hastert, Ranking Member, House Energy & Air Quality Subcommittee  
Honorable Cliff Stearns, House Energy & Commerce Committee  
Honorable Charlie Crist, Governor, State of Florida  
Ms. Hannah Walker, Energy Analyst, Florida Washington Office